

**Services exports dip 7.47pc**

ISLAMABAD: Services exports dipped by 7.47 per cent in February from a year ago, a straight decline for the third consecutive month, according to data released by the Pakistan Bureau of Statistics.

The export proceeds from the services sector entered negative growth following a double-digit growth of 14.3pc in November 2018. In absolute terms, the export proceeds of services reached \$410 million in February from \$443.09m over the corresponding month last year.

Between July-Feb, cumulative proceeds posted a negative growth of 2.14pc to \$3.47billion year-on-year. In the year 2017-18, exports of services posted a 7pc negative growth YoY to \$5.4bn.

Contrary to this, imports of services fell by 19.54pc to \$5.77bn in July-Feb as against \$7.17bn over the corresponding months of last year. On a monthly basis, the imports of services posted a negative growth of 29.67pc YoY to \$608.37m.

The trade deficit in services dipped 52.98pc to \$198.37m in February on a YoY basis.

The services sector has emerged as the leading driver of economic growth. Its share in the gross domestic product (GDP) has increased from 56pc in 2005-06 to nearly 59pc in 2017-18.

Its major sub-sectors include finance and insurance, transport and storage, wholesale and retail trade, public administration and defence. Pakistan has opened up its market to foreign service providers, particularly in banking, insurance, telecommunications, and retail areas.

Services exports have taken a hit ever since the United States stopped the disbursements of the Coalition Support Funds (CSF). These funds used to be booked as an export of a service, and the government has long argued that they are reimbursements for services rendered by the army in support of operations across the border. In the days when CSF funds were being released, services exports used to be well above a billion dollars per annum.

Our Staff Reporter